

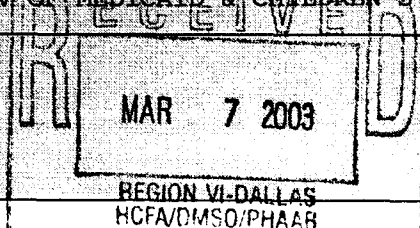


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 03 - 05	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: January 1, 2003	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 44.130(d)		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2003 \$ -0- b. FFY 2004 \$ -0-	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: Amendment 640 modifies the reimbursement methodology for Day Activity and Health Services (DAHS) to use recouped funds from the spending requirement of the attendant compensation rate enhancement to pay qualifying contracts that have attendant compensation costs that exceed the amount paid.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL be forwarded upon receipt.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Jason Cooke State Medicaid/CHIP Director Post Office Box 13247 Austin, Texas 78711	
13. TYPED NAME: Jason Cooke		<i>Texas (03-05)</i> <i>Approved: 04/30/03</i> <i>effective: 01/01/03</i>	
14. TITLE: State Medicaid/CHIP Director			
15. DATE SUBMITTED: March 7, 2003			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 7 MARCH 2003		18. DATE APPROVED: 30 APRIL 2003	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 JANUARY 2003		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: ANDREW A. FREDRICKSON		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV. OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			



Attachment to HCFA-179 for
Transmittal No. 03-05, Amendment 640

Number of the
Plan Section or Attachment

Attachment 4.19-B
Page 7(e)
Page 7(e)1

Number of the Superseded
Plan Section or Attachment

Attachment 4.19-B
Page 7(e) (TN 00-16)
New

(5) Determination of attendant compensation rate component for participating contracts. HHSC will determine attendant compensation rate enhancement increments associated with each enhanced attendant compensation level. The attendant compensation rate enhancement increments will be determined by taking into consideration quality of care, labor market conditions, economic factors, and budget constraints. The attendant compensation rate enhancement increments will be determined on a per-unit-of-service basis applicable to each program or service.

(6) Spending requirements for participating contracts. Participating contracts are subject to a spending requirement with recoupment calculated as follows:

(A) Beginning September 1, 2001, the attendant compensation spending per unit of service will be multiplied by 1.07 to determine the adjusted attendant compensation per unit of service.

(B) The adjusted attendant compensation per unit of service from X (6)(A) will be subtracted from the accrued attendant compensation revenue to determine the amount to be recouped. If the adjusted attendant compensation per unit of service is greater than or equal to the attendant compensation revenue per unit of service, there is no recoupment.

(C) The amount paid for attendant compensation per unit of service after adjustments for recoupment must not be less than the amount determined for nonparticipating contracts.

(7) Reinvestment. HHSC will reinvest recouped funds from X(6) in the attendant compensation rate enhancement to the extent that there are qualifying contracts.

(A) Contracts meeting the following criteria during the most recently completed reporting period are qualifying contracts for reinvestment purposes.

(i) The contract was a participant in the attendant compensation rate enhancement.

(ii) The contract's attendant compensation spending per unit of service of this section was greater than the total attendant compensation rate per unit of service granted to the contract.

(iii) HHSC has received an acceptable Attendant Compensation Report completed in accordance with all applicable rules and instructions.

(B) Available funds are distributed as described below.

(i) HHSC determines units of service provided during the most recent completed reporting period by each qualifying contract and multiplies this number by the attendant compensation spending per unit of service minus the attendant compensation rate per unit of service for the reporting period.

SUPERSEDES TN 00-16

STATE <u>Texas</u>	A
DATE REC'D <u>7 Mar 2003</u>	
DATE APP'D <u>30 Apr 2003</u>	
DATE EFF <u>1 Jan 2003</u>	
HCFA 179 <u>TX 03-05</u>	

(ii) HHSC compares the sum of the products from (X)(7)(B)(i) to funds available for reinvestment.

(a) If the product is less than or equal to available funds, all enhancements for qualifying contracts are retroactively awarded for the reporting period.

(b) If the product is greater than available funds, retroactive enhancements are granted beginning with the lowest level of enhancement and granting each successive level of enhancement until enhancements are granted within available funds.

(C) Retroactively awarded enhancements do not qualify as pre-existing enhancements for enrollment purposes.

(D) Qualifying facilities are notified of the award of reinvested enhancements in a manner determined by HHSC.

STATE	<u>Texas</u>	A
DATE REC'D	<u>7 Mar 2003</u>	
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